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**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF NEW JERSEY**

In re:	:	CHAPTER 11 (Subchapter V Small Business)
BAMBOO PALACE, INC.	:	Case No. 22-10861/VFP
Debtor(s)	:	Judge: Vincent F. Papalia
	:	Hearing Date: June 9, 2022
	:	at 11:00 a.m.

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**OBJECTION TO CONFIRMATION OF SBMUNICUST&LBHONEYBADGER LLC  
TO DEBTOR'S SMALL BUSINESS PLAN OF REORGANIZATION**

SBMUNICUST%LBHONEYBADGER LLC ("Creditor"), by and through undersigned counsel, objects to the confirmation of Debtor's small business plan of reorganization for the following reasons:

1. The Creditor is the owner of tax sale certificate liens secured by Debtor's real property as follows:

343 West Side Avenue, Jersey City, New Jersey - \$8,692.55 as of February 2, 2022

345 West Side Avenue, Jersey City, New Jersey - \$10,924.24 as of February 2, 2022

349 West Side Avenue, Jersey City, New Jersey - \$128,111.84 as of February, 2 2022

2. The Court should not approve the Debtor's proposed plan of reorganization (the "Plan") because the Plan fails to provide for payment in full for Creditor's claims. The Plan

contemplates the sale of the Debtor's properties or a refinance within eighteen months of the effective date of the Plan. However, the Plan does not call for Creditor to receive interest through the date of actual payment as required by 11 U.S.C. 506 and 1129(b). This results in a failure of adequate protection to this Creditor. See 11 U.S.C. §§ 506 and 511.

3. Furthermore, the Plan does not indicate that Creditor's liens will remain on the properties until such time as creditor is paid in full in violation of 11 U.S.C. 1191(c)(1) and 1129(b)(2)(A). To the contrary, the Plan states that upon confirmation, the Debtor's assets shall revert in the Debtor free and clear of claims. See Plan at sections 2.5 and 6.1.

4. Confirmation of the Plan should also be denied as it is not fair, equitable or feasible for the following reasons: (a) eighteen months is an excessive amount of time to sell the properties; (b) the Debtor has no income to fund the payment of post-petition obligations including real estate taxes and insurance (there has been no proof provided by Debtor that its principal can fund the Plan's post-petition obligations); (c) the Plan contains no default provisions in the event the Debtor fails to pay post-petition taxes and/or fails to sell the properties and pay Creditor. The Debtor failed to pay the real estate taxes for each property for the first and second quarters of 2022. In order to protect its security, Creditor should be permitted to pay the post-petition real estate taxes and other charges on the properties to the extent the Debtor fails to pay same by their due date.

5. The Plan improperly classifies Creditor's claims as unimpaired when in fact Creditor's legal rights are being altered and its claims are impaired as set forth in 11 U.S.C. 1124. Specifically, pursuant to the Plan creditor is being deprived of its right to pursue a foreclosure of each property while the Debtor attempts to sell same.

6. The Plan also is objectionable as it fails to specify that Creditor's claims shall not be discharged or subject to the discharge injunction until such time as said claims are paid in full.

WHEREFORE this Creditor prays that the plan of reorganization not be confirmed and that this Chapter Eleven petition be dismissed unless said small business plan of reorganization is modified to comply with the aforementioned deficiencies.

**GARY C. ZEITZ, L.L.C.**

Dated: 5/31/22

By: /s/ GARY C. ZEITZ  
GARY C. ZEITZ  
*Attorneys for Creditor,*  
*SBMUNICUST&LBHONEYBADGER LLC*